

Memorandum



Date: July 3, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Amendment to the Lease Agreement with AMB HTD – Beacon Centre, LLC, for the Miami-Dade Police Department (Suite 100)

Agenda Item No. 8(I)(5)

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached resolution authorizing execution of an Amendment to the Lease Agreement with AMB HTD – Beacon Centre, LLC, a Florida Limited Liability Company, for the Miami-Dade Police Department (MDPD).

The attached Amendment to Lease has been prepared by the Internal Services Department at the request of MDPD. This Amendment to the Lease Agreement, among other things, reduces the escalation for the base rent in the first year of the renewal period to two percent from three percent, and from a guaranteed flat three percent to no more than the consumer price index (not to exceed three percent) in years two through five of the renewal period.

On this same agenda is a separate Amendment to the Lease Agreement with AMB HTD – Beacon Centre, LLC for another suite at the same location. The other suite is also used by MDPD.

PROPERTY: West Miami-Dade County

COMMISSION DISTRICT: 12

**COMMISSION DISTRICTS
IMPACTED:** Countywide

OWNER: AMB HTD – Beacon Centre, LLC, a Florida limited liability company and Joint Venture with Prologis, Inc., its General Partner

COMPANY PRINCIPALS: Hamid R. Moghadam, Director, CEO
Walter C. Rakowich, Director, CEO
William E. Sullivan, CFO
Gary E. Anderson, CEO
Edward S. Nekritz, Secretary
Peter D. Crovo, Vice President

OWNERS' TRACK RECORD: The County has no record of negative performance issues with AMB HTD – Beacon Centre, LLC.

USE: 13,846 square feet of air conditioned and heated office space.

JUSTIFICATION: MDPD has been at this location since 2007 and needs to continue utilizing this facility as administrative offices.

PURPOSE OF AMENDMENT: This amendment will:

1. Modify the suite number from 300 to 100 in order to reflect the landlord's records.
2. Exercise the renewal option to commence on the latter of the first day of the next calendar month following the passage of the resolution or on June 1, 2012 and terminate five years thereafter.
3. Add a cancellation clause that allows the lease agreement to be cancelled 24 months from the commencement of this amendment by giving the landlord at least 120 days written notice. There is currently no option to cancel.
4. Modify the increase stipulated in the lease agreement from an increase of three percent to an increase of two percent. The three percent increase would have been \$16.81 per square foot or \$232,751.26 annually, instead of the proposed two percent increase (\$16.65 per square foot or \$230,484.24 annually).
5. Change the yearly rent increases for years two through five of the renewal option from a flat three percent annual escalation to an increase based on the Consumer Price Index (CPI) not to exceed three percent.

EFFECTIVE DATES OF AMENDMENT: Commencing on the first day of the next calendar month following the passage of this Resolution by the Board ("the Commencement Date") and terminating five years thereafter.

CURRENT LEASE: The current lease agreement was approved by the Board in 2006. The lease was approved for a five-year and three months term and one additional five-year renewal option period. The current annual base rent is \$225,966.72 which is equal to \$16.32 per square foot. The Board has granted the County Mayor or the County Mayor's designee the authority to exercise the one five-year renewal option period.

FISCAL IMPACT: The total fiscal impact for the first lease year under the renewal option period is estimated to be \$293,275.61. The projected fiscal impact for the five-year term of the lease is \$1,518,151.21. This expense has been budgeted in the MDPD's operating budget. Funding source: General Fund, Index Code: PD560318, sub-object 25511.

Rent and Direct/Indirect Expenses	1st Year	Cost per Square Foot
Annual Base Rent	\$230,484.30	\$16.65
Subtotal Annual Base Rent	\$230,484.30	\$16.65
Utilities	\$25,140.00	\$1.82
Pass Through Expenses	28,000.00	2.02
Security alarm	432.00	0.03
Subtotal Direct Expenses	\$53,572.00	\$3.87
Lease Management Fee	\$9,219.37	-
Subtotal Indirect Expenses	\$9,219.37	-
Total Yearly Lease Costs	\$293,275.61	-

CANCELLATION PROVISION:

Tenant may cancel after 24 months, by giving landlord at least 120 days' written notice prior to its effective date.

**OTHER PROPERTIES
EVALUATED:**

West Miami-Dade County – \$25.00 per square foot on an annual basis for a full service lease plus a prorated share of the building's pass through expenses, estimated to be \$3.00 per square foot on an annual basis, moving costs, phone and data.

West Miami-Dade County – \$25.25 per square foot on an annual basis for a full service lease plus moving expenses, phone, data and a prorated share of the building's pass through expenses, estimated to be \$2.50 per square foot on an annual basis.

West Miami-Dade County – \$25.00 per square foot on an annual basis for a gross lease, plus moving expenses, phone, data and a prorated share of the building's pass through expenses estimated at \$5.00 per square foot on an annual basis.

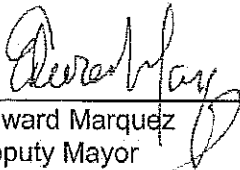
The current location is less expensive than the other three properties evaluated.

MONITOR:

Margaret Araujo, Real Estate Officer

DELEGATED AUTHORITY:

Authorizes the County Mayor or the County Mayor's designee to execute the attached amendment and exercise the cancellation provision.


Edward Marquez
Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: July 3, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(I)(5)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(I)(5)
7-3-12

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF AN AMENDMENT TO LEASE WITH AMB HTD – BEACON CENTRE, LLC, A FLORIDA LIMITED LIABILITY COMPANY, FOR PREMISES TO BE UTILIZED BY THE MIAMI-DADE POLICE DEPARTMENT AS ADMINISTRATIVE OFFICES, WITH A TOTAL FISCAL IMPACT TO THE COUNTY NOT TO EXCEED \$1,518,151.21 FOR THE FIVE-YEAR TERM OF THE LEASE; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR’S DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves the Amendment to Lease between Miami-Dade County and AMB HTD – Beacon Centre, LLC, a Florida Limited Liability Company, for premises to be utilized by the Miami-Dade Police Department as administrative offices, with total fiscal impact to Miami-Dade County not to exceed \$1,518,151.21 for the five-year term of the lease, in substantially the form attached hereto and made a part hereof; authorizes the County Mayor or the County Mayor’s designee to execute same for and on behalf of Miami-Dade County; and authorizes the County Mayor or the County Mayor’s designee to exercise any and all other rights conferred therein.

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of July, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

JRA

Juliette R. Antoine

Approved _____ Mayor

Agenda Item No.

Veto _____

Override _____

OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
DADE COUNTY, FLORIDA

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF A LEASE
AGREEMENT AT
WITH AMB HTD – BEACON CENTER, LLC, A FLORIDA LIMITED
LIABILITY COMPANY FOR PREMISES TO BE UTILIZED BY THE
MIAMI-DADE POLICE DEPARTMENT; AND AUTHORIZING THE
COUNTY MANAGER TO EXERCISE ANY AND ALL OTHER
RIGHTS CONFERRED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the
accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves
the Lease Agreement between Miami-Dade County and AMB HTD – BEACON CENTER, LLC,
a Florida Limited Liability Company, for premises to be utilized by the Miami-Dade Police
Department; in substantially the form attached hereto and made a part hereof; authorizes the
County Manager to execute same for and on behalf of Miami-Dade County; and authorizes the
County Manager to exercise any and all other rights conferred therein.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**
who moved its adoption. The motion was seconded by Commissioner **Sally A. Heyman**
and upon being put to a vote, the vote was as follows:

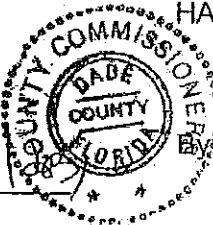
Joe A. Martinez, Chairman	aye		
Dennis C. Moss, Vice-Chairman	aye		
Bruno A. Barreiro	aye	Jose "Pepe" Diaz	aye
Audrey M. Edmonson	aye	Carlos A. Gimenez	aye
Sally A. Heyman	aye	Barbara J. Jordan	aye
Dorin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	aye
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and
adopted this day of . This Resolution and contract, if not vetoed,
shall become effective in accordance with Resolution No.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.



KAY SULLIVAN

Deputy Clerk

Hugo Benitez

Memorandum



Date: 2006

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Lease Agreement at
for Miami-Dade Police Department
Property # 3034-08-00

Agenda Item No.

The attached Lease Agreement has been prepared by the General Services Administration at the request of the Miami-Dade Police Department and is recommended for approval.

PROPERTY:

COMMISSION DISTRICT: 12

OWNER: AMB HTD-Beacon Center, LLC, a Florida limited liability company

COMPANY PRINCIPALS:

General Partner:

AMB Property, L.P., a Delaware limited partnership, the sole member of AMB HTD-Beacon Center, LLC.

AMB Property Corporation, a Maryland corporation, a publicly traded company.

Officers of AMB Property Corporation:

Hamid Moghadam – Chairman, CEO
W. Blake Baird – President
David H. Buxbaum – Vice President
Michael A. Coke – Treasurer, CFO
Tamra D. Browne – Secretary

USE: 13,846 rentable square feet of air-conditioned office space on the first floor including the right to use 48 unassigned parking spaces.

JUSTIFICATION:

The Miami-Dade Police Department will relocate its operations from another leased space and desires this space due to its affordability and proximity to the Department's Main Headquarters. Relocating to this location will provide operational benefits to the department by accommodating two bureaus in the same building. The bureau is presently under a lease agreement with a 90 days cancellation notice with no penalty. The current rental rate is \$16.41 per square foot or \$16,967.52 per month.

LEASE TERM:

Five years and three-months, with one additional five-year renewal option period.

EFFECTIVE DATES:

Commencing upon the effective date of the resolution of the Board of County Commissioners approving this lease agreement and terminating five years and three months thereafter.

RENTAL RATE:

The rental rate for the space is \$14.50 per square foot (psf), or \$16,730.58 per month. The Landlord has agreed to provide the first three months at no cost, and to extend the \$14.50 psf rate through the fifteenth month. Thus, the total base rent paid by the County for the first year of the lease term, which includes three free months, will be \$150,575. (The total base rent paid for months four through fifteen will be \$200,767.)

The base rent will increase by three percent (3%) in the sixteenth month of the lease term (following three free months and twelve paid months), and every twelve months thereafter. The rent shall also be increased by three percent during each year of the renewal option period.

FINANCIAL IMPACT:

The total financial impact for the first year of the lease agreement is estimated to be \$205,975.00, which is comprised of the following:

Occupancy Cost:

	<u>Total Dollars</u>	<u>PSF</u>
<u>Annual Base Rent</u>		
First three months	\$0	\$0.00
Last nine months (@ \$16,731/mo)	\$150,575	\$14.50

Indirect Expense:

Phone/Data Installation	\$ 33,800
Relocation Cost	9,600
Lease Management Fee	12,000**
Total Cost, first year	\$205,975

** Lease management services include locating space, negotiating, preparing and processing lease contracts for BCC approval, overseeing space design, build-out and occupancy, coordinating meetings as needed, and coordinating agency review of lease documents. Staff performs lease and property management services throughout the term, coordinates maintenance and repairs to the space, and administers all accounting activity. The fee for these services is 8%, but is being reviewed by OSBM, together with all other real estate fees currently charged by the Department, with the goal of making budget recommendations this summer.

LEASE CONDITIONS:

Full service lease, inclusive of electricity, janitorial and trash removal to a cap of \$2.15 per square foot. The allowance is comprised of \$1.25 psf for electricity, \$.80 psf for janitorial and custodial services and \$.10 psf for trash removal services. The County is responsible for consumption in excess of the cap and for changing of filters, cleaning the coils and adding Freon to the HVAC system. Additionally, the County will reimburse Landlord for pro-rata share of any increase in real estate taxes and operating expenses, over the base year of 2006, and capped at 5% for controllable expenses over the prior year's operating expenses. Controllable expenses are all costs associated in the common areas and building to include cleaning, lighting, water, landscaping costs, parking area care, guard services and exterior window cleaning, amortization of capital improvements which will reduce operating expenses or are required by laws and property management fees.

CANCELLATION:

None.

FUNDING SOURCE:

General Funds. This item has been budgeted in the Miami-Dade Police Department's operating budget.

OTHER PROPERTIES
EVALUATED:

- \$21.95 per square foot, full service.

- \$18.50 per square foot, full service.


Assistant County Manager

Approved _____

Mayor

Agenda Item No. _____

Veto _____

Override _____

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF AN AMENDMENT TO LEASE WITH AMB HTD - BEACON CENTRE, LLC, A FLORIDA LIMITED LIABILITY COMPANY, FOR PREMISES TO BE UTILIZED BY THE MIAMI-DADE POLICE DEPARTMENT AS ADMINISTRATIVE OFFICES, WITH A TOTAL FISCAL IMPACT TO THE COUNTY NOT TO EXCEED \$1,518,151.21 FOR THE FIVE-YEAR TERM OF THE LEASE AND; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves the Amendment to Lease between Miami-Dade County and AMB HTD - Beacon Centre, LLC, a Florida Limited Liability Company, for premises to be utilized by the Miami-Dade Police Department as administrative offices, with total fiscal impact to Miami-Dade County not to exceed \$1,518,151.21 for the five-year term of the lease, in substantially the form attached hereto and made a part hereof; authorizes the County Mayor or the County Mayor's designee to execute same for and on behalf of Miami-Dade County; and authorizes the County Mayor or the County Mayor's designee to exercise any and all other rights conferred therein.

The foregoing resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice-Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this day of , 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override of this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by the County Attorney as
to form and legal sufficiency.

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT to Lease Agreement made this _____ day of _____, 2012, by and between AMB HTD – BEACON CENTRE, LLC, a Florida limited liability company, hereinafter designated or referred to as "LANDLORD," and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as the "TENANT,"

WITNESSETH:

WHEREAS, by Resolution No. _____, adopted by the Miami-Dade Board of County Commissioners on _____, the Board authorized the Lease Agreement between the above named parties for approximately, 13,846 square feet of air conditioned and heated office space, located at _____, Florida; and

WHEREAS, the Rent Commencement Date of this Lease Agreement was December 1, 2006 and this Lease Agreement was for five years and three months term with one (1) additional five-year renewal option period. The Lease is currently in its fifth year of the initial lease term; and

WHEREAS, both LANDLORD and TENANT are desirous of amending the Lease Agreement as set forth below; and

WHEREAS, by Resolution No. _____, adopted _____, 2012, the Board of County Commissioners has authorized this Amendment to Lease Agreement;

NOW, THEREFORE, in consideration of the restrictions and covenants herein contained, it is agreed that the said Lease is hereby amended as follows:

1. Leased Space – The current suite number shall be changed from suite number 300 to Suite number 100, to concur with the landlord's records and the building's designated postal address.
2. Term of Amended Lease – The term of the Lease shall now be extended to commence on the latter of: 1) the first day of the next calendar month following the passage of this Resolution by the Board or 2) June 1, 2012 ("the Commencement Date") and terminate five years thereafter.
3. Cancellation – TENANT, through its County Mayor or the County Mayor's designee,

shall have the right to cancel this lease agreement after 24 months from the Commencement Date, by giving LANDLORD at least 120 days' written notice prior to its effective date.

4. Base Year Rent for the Extended Term – The base rent for the first lease year of this extended term shall be \$230,484.24 annually or \$19,207.02 monthly.
5. Rental Adjustment – The base rent for the second through the fifth year of the lease term, shall be adjusted as per Consumer Price Index (CPI), not to exceed three percent (3%). The rent adjustment shall be computed by multiplying the Annual Base Rent of \$230,484.24 by a fraction whose numerator shall be the Consumer Price Index (CPI) for the month which is two months prior to the end of each twelve-month period to be adjusted and whose denominator shall be the Consumer Price Index (CPI) for the month which is two months prior to the commencement date of this Lease Amendment. For the purposes hereof, the Consumer Price Index to be used shall be the National Consumer Price Index for all Urban Wage Earners & Clerical Workers, U.S. City Average (All items: 1982–84=100) issued by the U.S. Department of Labor, Bureau of Labor Statistics or any successor agency of the United States that shall issue indexes or data of similar type. The LANDLORD shall notify the TENANT of the adjusted monthly rent, in writing, prior to the respective anniversary date, if such rent adjustment occurs. In no event shall the rent for any subsequent year be less than the rent for the previous year or exceed a three percent (3%) increase over the immediately preceding year.
6. Taxes and Operating Expenses – Commencing on the Commencement Date, the payments with respect to TENANT's Proportionate Share of increases in Taxes and Operating Expenses shall continue to be determined and paid as provided in the Lease, including, without limitation, that the Base Tax shall continue to be the taxes assessed for calendar year 2006 and the Base Year for Operating Expenses shall continue to be the calendar year 2006.
7. As Is – TENANT acknowledges and agrees that TENANT is accepting possession of the demised premises for this extended term in "as-is" condition and that LANDLORD shall

have no obligation whatsoever to furnish, render or supply any money, work, labor, material, fixture, decoration, or equipment in order to prepare the demised premises for TENANT's continued occupancy.

8. No Further Options – TENANT has no further right or option to renew or extend the term, and therefore Article XIX of the Lease Agreement is deleted.
9. Notices – It is understood and agreed between the parties hereto, that written notices addressed and sent by certified or registered mail, return receipt requested, first class, postage prepaid or by overnight courier service shall be addressed as follows:

LANDLORD

AMB HTD – Beacon Centre, LLC
C/O Prologis
8355 N.W. 12 Street
Doral, Florida 33126
Attn: Property Manager

TENANT

Miami-Dade County
Internal Services Department
Real Estate Development Division
111 N.W. First Street, Suite 2460
Miami, Florida 33128

With Copy to:

AMB HTD – Beacon Centre, LLC
C/O Prologis
8355 N.W. 12 Street
Doral, Florida 33126
Attn: Peter Crovo, Vice President

and Copy to:

Prologis, Inc.
4545 Airport Way
Denver, Colorado 80239
Attn: General Counsel

10. Rental Payments – Rental payments shall be submitted to the address below as applicable

**Landlord's address for
Standard mail rent payments**

AMB HTD – Beacon Centre, LLC
P.O. Box 6110
Hicksville, New York 11802-6110

**Landlord's address for
overnight mail rent payments**

rCash Collect Processing Center
Lockbox # 6110
1 Underhill Road
Glenhead, New York 11545

or such other place and to such other person as LANDLORD may from time to time designate in writing.

The rental payment for the month of October of each year will be processed by the County after the close of the County's fiscal year on September 30. Therefore, October's payment may be delayed each year and LANDLORD is so acknowledging this fact without penalty to TENANT.

In all other respects said Lease shall remain in full force and effect in accordance with the terms and conditions specified therein.

(This space intentionally left blank)

IN WITNESS WHEREOF, the LANDLORD and TENANT have caused this Lease Agreement to be executed by their respective and duly authorized officers the day and year first above written.

(CORPORATE SEAL)

AMB HTD-BEACON CENTRE, LLC
By: Prologis, L.P., Sole Member
By: Prologis, Inc., General Partner

Erica Figueroa
WITNESS

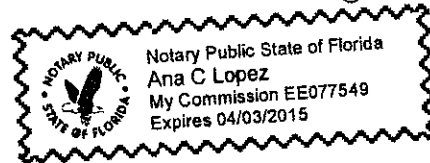
By: *Peter Crovo*
Peter Crovo, Vice President

Raul Cronin
WITNESS

(LANDLORD)

Ana C. Lopez

(OFFICIAL SEAL)



ATTEST:

HARVEY RUVIN, CLERK

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

By: _____
Deputy Clerk Date

By: _____
Carlos A. Gimenez Date
County Mayor

(TENANT)

Approved by County Attorney as to
form and legal sufficiency: _____
Date